

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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FILED

MAR 30 2005

INDIANA UTILITY
REGULATORY COMMISSION
CAUSE NO. 42763

**PETITION OF NORTHERN INDIANA)
PUBLIC SERVICE COMPANY FOR)
APPROVAL TO ISSUE NOT TO EXCEED)
\$350,000,000 AGGREGATE PRINCIPAL)
AMOUNT OF NOTES FOR THE PURPOSE)
OF REFUNDING EXISTING SHORT-TERM)
OBLIGATIONS)**

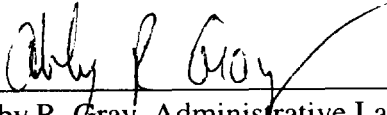
On December 15, 2004, Northern Indiana Public Service Company ("NIPSCO" or "Petitioner") filed its Verified Petition with the Indiana Utility Regulatory Commission. The evidentiary hearing is scheduled for April 5, 2005.

The presiding officers now find that Petitioner should file written answers to the following questions by Monday, April 4, 2005:

1. Exhibit F has a note that states "Reuters Evaluator spreads for bullet bonds." Please explain the differences between bullet bonds and the notes NIPSCO is seeking to issue to NiSource Finance Corporation.
2. Are the spreads contained in Exhibit F only for electric utilities operating in retail rate regulated environments? If not, why is it appropriate to assign an 'average' spread to NIPSCO?
3. Exhibit K shows various debt ratings for NiSource Finance Corporation as Baa3, and various debt ratings for NIPSCO as Baa2. Which rating expresses a better credit quality, Baa2 or Baa3? All else equal, a company with which rating would be able to receive a lower cost of debt?
4. Is NiSource Finance Corporation a 'for profit' entity? If so, does NiSource Finance Corporation expect to profit from the transaction that is the subject of this proceeding?
5. From where will NiSource Finance Corporation receive the funds that it seeks to lend to NIPSCO as proposed in this proceeding?
6. Does NiSource Finance Corporation plan on holding the notes issued to it by NIPSCO until maturity or does it plan on redistributing said notes?

7. Has NIPSCO or NiSource Finance Corporation filed any affiliate contract guidelines with the Commission for the affiliate transaction that is the subject of this proceeding?
8. On page 15, line 2, of his prefiled testimony, Vincent Rea states that due to internal financing, "rating agency fees" will not be incurred by NIPSCO. Why does internal financing relieve NIPSCO of rating agency fees?

IT IS SO ORDERED.



Abby R. Gray, Administrative Law Judge
Date: MARCH 30, 2005